

Defunct
12/11/84

OCT 26 1984

Dear Gentlemen:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

The information submitted discloses that the Trust Fund was established on [REDACTED], in memory of [REDACTED], who died in the line of duty. The fund is administered by a board of [REDACTED] trustees made up of [REDACTED], a [REDACTED] police officer of the rank of patrolman and one other officer or employee of [REDACTED] Police Department.

Your trust agreement states that your trustees will meet at least once a year to identify any projects which are felt to merit support of the Fund. Such projects shall be of civic or charitable nature or for the benefit and enjoyment of employees of the [REDACTED] Police Department and their immediate families, and may include financial grants to alleviate personal or family emergencies, the endowment of awards and the finding of reasonable expenditures and prizes associated with annual competitions held in [REDACTED] name or annual awards recognizing civic achievement and meritorious service by [REDACTED] Police Department employees, and the funding of training opportunities for [REDACTED] Police Officers for which funds are not otherwise available.

You receive donations from the general public. You also anticipate receiving income from the sale of [REDACTED] Police Department patches and plan to operate a booth in the [REDACTED] Festival in [REDACTED]. You were unable to determine your expenditures for your projects and therefore, unable to provide us with a two year projected budget.

In order for an organization to qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code of 1954, it must be both organized and operated exclusively for any one or more of the purposes set forth in that section of the law.

The Income Tax Regulations applicable to section 501(c)(3) of the Code

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Surname	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Date	10/3/84	10/3/84	10/24/84	10/24/84	10/24/84		

provide that an organization must be both organized and operated exclusively for one or more of the purposes specified in that section. If it fails to meet either the organizational or the operational test, it is not within the purview of the statutes.

Moreover, an organization is not organized or operated exclusively for one or more of the purposes specified in section 501(c)(3) unless it serves a public rather than a private interest. To meet this requirement, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests.

A substantial part of your activities are being conducted for the benefit of the employees of the [REDACTED] Police Department and their families, rather than the general public, and without regard to any financial distress. You are therefore, operated in a mutual benefit manner and not exclusively for any of the purposes described under section 501(c)(3) of the Code.

It is our determination that you are not operated exclusively for one or more exempt purposes and, therefore, you are not entitled to exemption from Federal income tax as an organization described in section 501(c)(3) of the Code.

Because we did not ask you to amend your organizing document to conform to the requirement under section 501(c)(3), we are not precluding exempt status based on the organizational test.

As provided by section 6104(c) of the Internal Revenue Code of 1954 and the applicable regulations, the appropriate State officials are being notified of our determination.

Until such time as you establish your exempt status for Federal income tax purposes, contributions made to you are not deductible by the donors on their individual tax returns.

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instructions for signing on the reverse side of this form.

If you are not in agreement with this proposed determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient District Office. A self-addressed envelope is enclosed.

If we do not hear from you within 30 days from the date of this letter,

[REDACTED]

and you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies and will then become our final determination. Section 7423(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

[REDACTED]
District Director

Enclosures:
Publication 892
Form 6018

[REDACTED]